

		<b>POLICY AND PROCEDURE MANUAL</b>	
<b>Category:</b> Legislative & Regulatory Services	<b>Number:</b> LEG.03(C)	<b>BUILDING PERMIT FEE CONSTRUCTION COST VALUATION POLICY</b>	
<b>Type:</b>	<b>Authority:</b>	<b>Approved By:</b>	
<input checked="" type="checkbox"/> Policy <input type="checkbox"/> Procedure	<input checked="" type="checkbox"/> Council <input type="checkbox"/> Administrative	<input checked="" type="checkbox"/> Council <input type="checkbox"/> Chief Administrative Officer <input type="checkbox"/> Department Head	
<b>Office of Primary Responsibility:</b> Development Services			
<b>Date Adopted:</b> February 4, 2019	<b>Council Resolution No:</b> RC19/077	<b>Date to be Reviewed:</b> February 4, 2020	
<b>Manner Issued:</b> Letter, Email, Pipeline.			

### **BACKGROUND:**

The cost of construction estimate (construction value) is used in the formula to determine the building permit fee amount to be paid prior to issuance of the building permit. As such, the cost of construction estimate has a direct implication for the building permit fee revenue collected by the District.

In addition, the cost of construction estimate is also used by BC Assessment as one factor in determining assessed value for property taxation purposes.

### **PURPOSE:**

To establish a consistent and market based method to calculate an accurate “Cost of Construction” estimate for building permit applications to construct:

1. a Single-Family Dwelling, Coach House, Garden Cottage, Duplex, Rowhouse or Townhouse building or related accessory structures (e.g., garage, carport, shed);
2. a structure on Agricultural land to be used for Agricultural purposes (e.g., barns, shed, Pole Buildings, Manure storage, etc.);
3. a multi-family low-rise and high-rise apartment building;
4. a commercial, industrial or institutional building; and
5. a retaining wall, pool or other similar type of structure.

## POLICY:

### 1. Definitions

**“Building Official”** means a person designated by the District as a Building Inspector, Plumbing Inspector, or Plan Checker, and includes the supervisors and managers for these positions.

**“Cost of Construction”** means the estimated value of construction to build a structure associated with a building permit application submitted to the District.

**“Council”** means the elected officials of the District.

**“District”** means the District of Mission.

**“Valuation Service”** means the current edition of the Marshall Valuation Service, the Marshall & Swift Residential Cost Handbook or other valuation service as determined by the Building Official.

### 2. Responsibilities

- a) The Building Official when determining the Cost of Construction for a Building Permit for the construction of a Single-Family Dwelling, Coach House, Garden Cottage, Duplex, Rowhouse or Townhouse building or related accessory structures (e.g., garage, carport, shed) on Residential property, or Accessory Buildings on Agricultural land containing residential or office space shall use the greater of the value:
  - i. as stated on the Building Permit Application;
  - ii. the Contract Price as stated on the signed contract to build the structure;  
or
  - iii. as determined by a Valuation Service.
- b) A Building Official using a Valuation Service to determine the Cost of Construction shall use the “Good” quality standard for most structures and “Very Good-Excellent” quality standard for executive structures when the quality of the structure being constructed is not explicitly stated on the Building Permit application plans or in the situation where information on the Building Permit application plans are contradictory or unclear.
- c) The Building Official when determining the Cost of Construction for a Building Permit for the construction of a structure on Agricultural land to be used for agricultural purposes shall use the greater of the value:
  - i. as stated on the Building Permit Application;
  - ii. the Contract Price as stated on the signed contract to build the structure;  
or
  - iii. fair market value as determined by the Building Official.

- d) The Building Official when determining the Cost of Construction for a Building Permit for the construction of a retaining wall, pool or other similar type of structure shall use the greater of the value:
  - i. as stated on the Building Permit Application;
  - ii. the Contract Price as stated on the signed contract to build the structure; or
  - iii. as determined by a Valuation Service.
  
- e) The Building Official when determining the Cost of Construction for a Building Permit for the construction of a commercial, industrial, institutional, a multi-family low or high rise apartment building or any other building not covered in any of the policy requirements noted above shall use the greater of the value:
  - i. as stated on the Building Permit Application; or
  - ii. the Contract Price as stated on the signed contract to build the structure.

**RELATED POLICIES, PROCEDURES, AGREEMENTS AND/OR BYLAWS:**

**\*\*\* END OF POLICY \*\*\***

**RECORD OF AMENDMENTS/REVIEW**

<u>Policy #</u>	<u>Date Adopted</u>	<u>Date Reviewed</u>	<u>Amended (Y/N)</u>	<u>Date Reissued</u>	<u>Authority (Resolution #)</u>
LEG.03(C)	Feb. 4, 2019				RC19/077 (see FSCOW 22 Jan. 2019 COW19/008)